

RD AN No. 4176 (1942-A)  
(3575-A)  
April 20, 2006

TO: State Directors  
Rural Development

ATTN: Community Programs Managers

FROM: Russell T. Davis (*Signed by Russell T. Davis*)  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Financing Assisted Living Facilities Using Community Facilities Funds

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) is to provide guidance to Rural Development staff regarding financing assisted living facility projects with Community Facilities funds. This AN clarifies the necessary components of an eligible assisted living facility.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces AN No. 4022 (1942-A), which expired December 31, 2005.

**IMPLEMENTATION RESPONSIBILITIES:**

Assisted living facilities are eligible essential community facilities. It is the Agency's position that an assisted living facility is a residential facility designed, operated, and licensed to provide at least the following daily living and health care assistance to its clients.

EXPIRATION DATE:  
April 30, 2007

FILING INSTRUCTIONS:  
Preceding RD Instructions 1942-A,  
and RD Instruction 3575-A

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1. Twenty-four (24) hours a day access to medical personnel (either on –site or on call)
2. Assistance with the residents’ activities of daily living such as bathing, dressing, taking medications, and eating.
3. Providing at least two meals a day in central dining area. (Assisted living facilities do not contain full-size kitchens, but often contain a kitchenette equipped with a dormitory-size refrigerator and/or microwave oven.)
4. Providing transportation to local medical facilities and businesses.

Assisted living facilities must provide the aforementioned level of assistance to be considered eligible for Agency financing.

If you have any questions, please contact Chad Parker, Director, Direct Loan and Grant Division, or Glenn E. Walden, Director, Guaranteed Loan Division, Community Programs, by phone at (202) 720-1490, or by fax at (202) 690-0471.